

MEMORANDUM OF UNDERSTANDING

Between

US Department of Interior, Bureau of Land Management, Amarillo Field Office and

- I. Purpose: This Memorandum of Understanding (MOU) provides procedures and guidance for allocating In-Kind helium for new helium requirements to _____ and Federal Helium Supplier(s) (FHS).

- II. Background & Objective: Currently, the regulations stipulate how the suppliers and Federal Agencies report transactions and which agencies are required to purchase major helium requirements from FHS. Article 7.1 (c) of the Helium Supply Contract and 3195.36 of the regulations provide that the FHS shall give priority to U.S. Government helium requirements over non-government requirements.

During times of adequate supply, the Federal Agencies have had no problem receiving their requirements and contracting for additional requirements when necessary. However, during an extended shortage period, such as the industry is currently experiencing, the FHS are allocating supplies to their commercial customers. To date, our information suggests no Federal Agency needing a major requirement has been allocated; however, some agencies are experiencing difficulties receiving offers for solicitations for new helium customer requirements.

The intent of the MOU is to encourage FHS to offer on new helium contracts solicited by _____. FHS haven't bid on solicitations for new helium contracts because they are already allocating their other customers and do not receive their allocation of In-kind helium from the BLM until about six months after delivery.

- III. Authority:

- A. Public Law 104-273 – Helium Privatization Act of 1996, Section 6 (a)
- B. 43 CFR subparts 3195.02 – 27.

- IV. Procedures:

- A. For any "new" Federal helium needs to be solicited by _____, the BLM agrees to allocate (not transfer or sell) In-Kind helium to the FHS that has been awarded the competitive contract by _____, in the month the helium is required to be delivered.
- B. If the FHS is a refiner on the Crude Helium Pipeline (CHPL), the BLM will allocate the In-Kind helium directly to the refiner. If the FHS is not a refiner on the CHPL, the BLM will allocate the helium to a refiner upon receipt of a tolling agreement indicating the refiner is tolling helium for the non-refiner FHS.
- C. The _____ agrees to notify the BLM of its requirement no later than the 15th of the month prior to the month in which delivery is required. Acceptable notification will be a copy of the delivery/purchase order to the FHS. The copy can be electronic or hard copy.

- D. This MOU does not change the manner in which BLM accounts for sales and transfers of In-Kind helium.
- E. The BLM will develop spreadsheets to assure that the new helium requirements allocated according to this agreement are properly accounted for during reconciliation of In-Kind transfers and payments from the FHS.
- F. This MOU applies only to new helium contracts where the expected monthly deliveries under the contract are at least 250 Mcf, but not more than 2,000 Mcf in any month.
- G. The BLM also agrees to notify all Federal Helium Suppliers of this MOU.

V. Administration:

- A. Federal contracting officers would not need to “renegotiate” other gas supplies to receive helium from Federal suppliers.
- B. Nothing in this MOU will be construed as affecting the authorities of the participants or as binding upon the participants beyond their respective authorities or to require any of the participants to obligate or expend funds in excess of available appropriations.
- C. This MOU will be reviewed by the participants two years after signing and may be renewed, amended, or cancelled at that time.
- D. This MOU may be cancelled at any time upon agreement of both participants.
- E. This agreement doesn’t preclude the BLM or _____ from pursuing other options to increase the likelihood of FHS suppliers bidding on new helium contracts.
- F. Both parties agree that Congress may enact new legislation pertaining to the Federal Helium Program that may render this MOU obsolete or no longer necessary.
- G. This MOU is effective upon signature of all participants.

APPROVED:

Leslie A. Theiss
Field Manager, Bureau of Land Management

Date

Authorized Manager
ABC Federal Agency

Date